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CENTRAL INTELLIGENCE AGENCY

30 September 1972

MEMORANDUM No. 2073/72

Terrorism Against US Business Firms Abroad

In recent years US business firms overseas have been frequent targets for terrorist attacks in a number of Latin American countries. Attacks against American firms have also occurred on occasion in the Mideast and Western Europe. Companies such as Coca-Cola, Pan American Airways, and IBM are used as convenient symbols of "foreign aggression" and "imperialism" by extremists who resort to acts of violence for a variety of reasons. The trend toward nationalistic policies in much of the world probably has added impetus to those who seek to victimize US companies. The proliferation of American-owned businesses in many countries means that US firms are often easily accessible.

In most instances the bombings of US firms, like those in Mexico earlier this month, are the work of local dissident groups that are essentially motivated by the internal politics of their own country. In some cases, particularly in Western Europe, the attacks against US firms are expressions of anti-Vietnam War sentiments. The violence directed at American business is not part of a campaign against US firms as such, but rather a result of political conflict in which these companies are identified with the establishment or with policies opposed by nationalistic

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dissident groups. Those responsible for the violence have at most only loose, occasional links with terrorist groups elsewhere and do not appear to be involved in an international conspiracy. An important exception is the alliance of Arab terrorist organizations that have conducted operations across national borders in the Mideast and in Western Europe.

Arab terrorist groups, buoyed by the publicity received from the guerrilla operation at Munich during the Olympic Games, may well attempt to step up their activities over the next several months. If so, US firms and official installations, particularly in Western Europe and the Mideast, would probably come under attack. The fedayeen have discussed such plans from time to time.

Sporadic bombings and other forms of violence carried out against American companies are also likely in several Latin American countries, but no coordinated plan of attack against these firms is foreseen.

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LATIN AMERICA

MEXICO

The bombings of US-owned businesses on 14-15 September were the first directed against American companies in Mexico in recent memory. Although there have been sporadic attacks, including bombings, against US consulates and other US Government-affiliated installations in past years, none has been serious or part of an organized terrorist campaign. Similarly, there is no evidence that the recent explosions are part of any broad plan. Because they came 48 hours before Mexico's Independence Day celebration, they no doubt were set off by dissident elements to embarrass President Echeverria. Terrorist incidents designed to disrupt national holidays and celebrations and thus achieve maximum publicity have occurred in recent years.

The bombs were exploded at the offices of IBM and Ford Motor Co. in Mexico City, Pepsi-Cola and Coca-Cola in Morelia, and at another Coca-Cola office in Guadalajara. With the exception of the IBM building, where two bombs damaged intricate electronic equipment at the company's most important computer center in Latin America, only minor damage was reported. Mexican public buildings have also been targets. On the night the US companies were hit, bombs exploded at the offices of a government financial institution in the center of Mexico City and at a nearby Mexican-owned clothing store. On 4 September a bomb was exploded near the entrance to the Secretariat of Finance, which is housed in the National Palace.

No group has claimed responsibility for these bombings. Suspects have been detained, and they may be linked to an extreme leftist peasant-labor guerrilla group that Mexican security officials believe was responsible for exploding a bomb at the National Palace earlier this month, just before the President's state of the nation address. [redacted]

(b)(1)
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members of this group have long been planning terrorist acts against interests of the Mexican "upper class," which they consider the "exploiters." No US companies were singled out in their plans.

Several other guerrilla/terrorist organizations have appeared in Mexico in the last two years. Many of them have pulled off kidnapings and bank robberies that have created a nagging security problem for the government. Any one of these groups or a radical student organization could have been behind the explosions. The dissidents believe the Mexican revolution has run out of steam and that the Mexican "establishment" perpetuates the status quo behind a facade of representative political democracy. US businesses are seen not only as part and parcel of this "establishment," but also as representing "economic imperialism," and are thus a natural target for the radical groups. Despite stepped-up efforts by Mexican security forces, sporadic terrorist activity will probably continue.

ARGENTINA

US businesses have been frequent targets of terrorist attacks in recent years. The most serious incident came in June 1969 during Governor Rockefeller's fact-finding trip to Buenos Aires. The bombings on that occasion were professional and well coordinated; all involved supermarkets at least partially owned by Rockefeller financial interests. This outburst appears to have been primarily an expression of Argentine nationalism and was probably carried out by an established terrorist group to gain maximum publicity.

Since 1969 there have been several incidents involving US businesses, but never on the scale of the supermarket bombings. Leftist terrorism has been on the upsurge, however, with the well-publicized objective of ridding Argentina of "imperialist monopolies." In fact, other foreign businesses--FIAT of Italy and certain British firms--have suffered as much as US companies.

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"Anti-imperialism" has become the watchword of leftists in general, but there is no evidence of an organized campaign against US businesses. Some incidents can be attributed to organized terrorist groups, but others were staged by unorganized protesters who were simply presented with a target and an opportunity. In all cases, the attacks on US businesses were the direct outgrowth of strictly Argentine problems and developments. Security forces have made great strides in containing terrorism in general and attacks against US installations, in particular. There have been no attacks in recent weeks.

VENEZUELA

During the past decade, US businesses and installations have frequently been targets for Venezuela's several active terrorist and guerrilla organizations. The peak of this activity was reached during the mid-60s, when leftist groups attempted to undermine Venezuela's democratic government. The success of the Christian Democratic government's "pacification" campaign since 1968 has resulted in the assimilation of most of the dissidents into the country's political life. The entire Marxist left is now functioning legally and generally eschews violence. Some die-hard insurgents, however, are still active in small rag-tag bands, and they attract some disenchanted youth.

After a long hiatus, urban terrorism and rural guerrilla activity resumed in May and June 1972. Much of the violence was aimed at the Caldera government, but US government installations and private US business interests were also hit. The First National City Bank of New York, International Telephone and Telegraph, Mercke-Sharpe-Dohme Pharmaceuticals, the Caracas Hilton, and the Rockefeller supermarket chain were special targets of the terrorists. An upsurge in telephone harassment, including anonymous bomb threats, was also reported by US businesses.

Terrorist activities have run the gamut from kidnaping and bombings to bank robberies and petty

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crimes; they appear to spring as much from domestic protests as from opposition to US influence. The attacks are intended to bolster the morale of the terrorists in the face of increasingly effective government counterinsurgency operations; to raise money for terrorist causes; to embarrass the government and create an atmosphere of political instability; and finally to win over more moderate leftists and nationalists by striking out at what they believe to be symbols of US economic exploitation and domination.

Venezuela has experienced an upsurge of nationalism over the last couple of years, and much of it is directed at the US. Given this climate and the high visibility of some $2.7 billion in US private investments in the country, it is surprising that more attacks have not been directed against US interests, particularly petroleum pipelines that are extremely vulnerable to sabotage. For the past several months the Caldera government has had to contend with repeated student demonstrations and violence in the major urban centers. Much of the disruption probably is directed by leftist extremists, but US businesses have experienced little violence.

[redacted] (b)(1) (b)(3)

expect terrorist activities to increase between now and the presidential election in December 1973. An expected close presidential race, the introduction into the campaign of nationalistic issues, and a volatile student population could create an atmosphere lending itself to exploitation by terrorist groups. The Venezuelan Government is aware of the dangers, and its security agencies have prepared contingency plans to counter any threats that arise.

OTHER

Elsewhere in Latin America, attacks against US businesses have been insignificant and sporadic. Those that have occurred were often related to political or labor strife in the host country. In late 1971, for example, sabotage at Colombia's Barrancabermeja refinery, partially owned by Texaco-Gulf, came during a prolonged and bitter strike at this installation.

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Student demonstrations and riots have frequently caused damage to US-owned property, but in many cases the targets were not pre-selected but simply happened to be in the path of march. There is no discernible pattern or direction to such attacks, and host country businesses also suffer.

When bombing or robberies against US firms are planned and carried out by terrorists, the perpetrators are usually left-wing extremists who have broken away from more orthodox Communist movements. In many instances, the violence is part of the generational phenomenon, with disaffected, ultranationalistic youth striking out at the local "establishment" and its ties to US economic imperialism. In Uruguay the Tupamaro organization burned the General Motors plant in 1969 around the time of Governor Rockefeller's visit to Montevideo. In April and May 1970, an International Harvester warehouse and several other US-franchised firms, including a branch of First National City Bank, Squibb Laboratories, and the distributor for Phillip Morris cigarettes, were bombed. In most of these instances, however, damage was light.

Such attacks are a means of raising morale and acquiring funds and publicity. A raid on a US firm or subsidiary guarantees instantaneous and international attention while a similar act against a local business would go almost unnoticed outside the host country.

It is worth noting that the pro-Castro terrorists in Guatemala, the most persistent of the Hemisphere's insurgents, have devoted little attention to US businesses. During the past decade, however, they have assassinated three members of the US diplomatic mission, including an ambassador, kidnaped another, and attacked US Government property. Other terrorist organizations in Latin America have also attacked US embassies, consulates, binational centers, and USIS offices, while allowing substantial US private investments to go relatively unmolested.

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THE MIDEAST

During the past few years fedayeen groups have carried out several terrorist operations against US business firms in the Mideast. Other operations aimed at US businesses have been planned, but for various reasons have not been implemented. In some cases disclosure of the plans to local security services probably led to preventive measures that frustrated the terrorist plans.

Most of the incidents that occurred involved sabotage of the oil pipeline owned by the Arabian-American Oil Company; there have been five instances of sabotage since early 1971, usually in Jordan. Other incidents include the blowing up of a hijacked Pan American 747 in Cairo in September 1970 and of a Trans World Airlines 707 in Jordan that had been hijacked at the same time. In November of last year, four explosions reportedly hit the Intercontinental Hotel in Amman, which is managed by US personnel and at one time had some US backing. In January 1972 facilities of the Kuwait Oil Company, which is partially US-owned, were damaged by a bomb blast.

Other bombing attacks against US-owned oil operations in Saudi Arabia and the Persian Gulf states were planned by the fedayeen. In 1970, for example, the fedayeen attempted to mine a US oil tanker in Lebanon. US officials and private citizens in Jordan and Lebanon have been specifically cited as targets in Arab terrorist plans.

From the Arab guerrillas' point of view, the Munich operations against the Israeli Olympic teams was a success and encouraged them to persist in employing terrorist tactics. The Munich incident dramatized the Palestinian cause. It also demonstrated the lengths to which the Arab terrorists will go. There have been numerous reports of fedayeen terrorist plans during the past few weeks, including one report that the Fatah's Black September Organization had added US embassies throughout the world to its list of targets. Although the Black September Organization has been responsible for most of the recent Arab terrorist activity, including the Munich attack, rival fedayeen

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groups may also attempt to draw public attention by conducting dramatic operations. Thus the likelihood has increased that terrorist actions will be carried out against both official and private US interests over the next several months.

WESTERN EUROPE

During May of this year, unexploded bombs were found in the Paris offices of Pan American Airways and Trans World Airlines. These incidents were probably linked to attacks made at the same time against official US facilities in France. In late 1971 [redacted] one anti-war group in Paris had compiled a list of American firms and subsidiaries in preparation for a "campaign" of unspecified nature against the firms' alleged involvement in Vietnam. (b)(1) (b)(3)

In Milan, Italy, a series of attacks was carried out against US commercial enterprises on 3 June 1972. Five bombs were exploded next to buildings occupied by American firms- the Honeywell-Italia offices in the central city, the Honeywell plant and computer facilities on the outskirts of Milan, a Bank of America branch office, and the IBM office. In none of the incidents was the damage extensive. Leaflets left at the scene indicated that the attacks were the work of local anti-war groups. The bombings appear to have been a one-time protest; no other incidents have occurred since then.

Only two incidents directed against US business firms in Spain have been reported in the past few years. In May of this year the Pan American Airways office in Barcelona was slightly damaged during a "lightning raid" by some 300 youths shouting anti-war slogans. In May 1970 student marchers caused minor damage to the Sears Roebuck store in Barcelona during demonstrations against US activities in Cambodia. In the Netherlands, only one serious attack against a US business firm has occurred in recent years--in May 1970 when Dutch anti-war demonstrators fire-bombed the Honeywell building in Amsterdam. At the same time, First National City Bank, Pan American

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Airways, and several other US businesses had the walls of their buildings painted with anti-American slogans and received bomb threats. Bomb threats were received by several US companies this summer, but no explosives were found. Similar minor incidents have occurred in West Germany during recent years. Usually the perpetrators were leftist students or other radicals engaged in anti-war marches or other demonstrations.

ELSEWHERE

In the Far East and Africa there has been no evidence of involvement by anti-American elements in organized terrorist attacks against US business. What little anti-US violence has occurred has usually been directed at US official installations. Thus far it has not been within the modus operandi of those anti-US groups that exist in Japan and other Far East countries to use bombs. Harassment activities occur, of course, but the violence that accompanies these activities is generally relatively mild, involving rock-throwing or fist-fighting. The occasional small-scale violence that has been focused on US companies in some African countries has apparently been spontaneous and probably vandalism rather than the result of planning by extremist groups.

In the Soviet Union and other Communist Eastern European countries, any activity directed against US interests would almost automatically be government-sponsored or controlled. In the past there have been occasional offically staged or condoned demonstrations around US embassies in some of these countries, but no physical attacks against US business. One exception occurred in Yugoslavia in 1970, when small groups of extremist students engaged in a spontaneous demonstration against the US presence in Southeast Asia. Yugoslavia is the only Eastern European country that has a terrorist problem. The ustashi--remnants of World War II Croatian fascists--have carried out attacks against Yugoslav installations at home and abroad over the past 18 months, but thus far have not attacked US facilities. Since most of their financial support comes from emigres in the US, it seems unlikely that the ustashi would jeopardize this source of funds by attacking US firms or official installations.

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INTERNATIONAL LINKS AMONG TERRORIST GROUPS

The bombings and other acts of violence carried out against American firms overseas have been local phenomena rather than part of any international conspiracy. There is no available evidence that extremist groups in Latin America have planned to conduct coordinated operations against US businesses. Nor does there appear to be any close relationship between Arab terrorist organizations and Latin American extremists who have attacked US companies in Latin America. The sole exception is the fedayeen organizations, which collaborate closely.

It seems likely that the fedayeen organizations, especially the Popular Front for the Liberation of Palestine, will attempt to expand their present limited connections with other terrorist groups. The main effort at expansion probably will come in the Mideast and Western Europe and, to a much lesser degree, in Latin America. It is unlikely, however, that these contacts will result in a formal international network of terrorist organizations in the foreseeable future.

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